

2010 BUDGET

Executive Proposed



King County

Office of the King County Executive
Office of Management and Budget

September 2009

King County, Washington



King County

Kurt Triplett
King County Executive

Office of Management and Budget
Beth Goldberg, Acting Director/Deputy Director

Budget Sections

General Government

Helene Ellickson, Supervisor
Anthony Cacallori
Greg Shiring
Yiling Wong

Physical Environment & Technology

Tricia Davis, Supervisor
Shelley De Wys
Cristina Gonzalez
Jennifer Lehman

Capital Improvement Programs

Sid Bender, Supervisor
Bobbie Faucette
Tesia Forbes
Mike Morrison

Criminal Justice

Krista Camenzind, Supervisor
Jacqui Austin
Lindsey Novakovic
Jo Anne Fox

Health and Human Services

John Baker
Aaron Rubardt

Economic and Statistical Analysis Group

Hall Walker, Supervisor
Nick Maxwell
Tom Taylor

Technology Group

Jim Walsh, Supervisor
Kerri Char
Jim Record
Mardi Spahr

Internal Auditor

Dan Lawson

Support Staff

Sheila Roehm, Supervisor
Dan Grant
Laura Kennison

A Special Thanks to:

Chandler Felt
Esther Handy

Printing

Margaret L. Thompson
Print Equipment Technician



King County

Kurt Triplett

King County Executive

September 27, 2009

The Honorable Dow Constantine
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Constantine:

I am pleased to transmit my proposed budget for 2010. The budget totals \$4.8 billion overall and \$621 million for the General Fund. This is a budget of great challenge and transition. It comes at a time when we are facing

- changes in executive leadership
- the loss of county revenue as a result of the most severe economic turmoil since the Great Depression
- the threat of flood and pandemic flu; and
- continued long-term structural funding challenges resulting from a revenue base that is not allowed, under current state law, to grow at a pace sufficient to maintain costs of existing county services.

Amidst all of this, my proposed budget is balanced and prudent. It lays the foundation for a transformation of county government in light of current and future revenue challenges and in recognition of the need to be prepared to face the uncertainties that lie ahead of us. It is based on fiscal responsibility and preserves important emergency reserve funds.

As you embark on your deliberations, I urge you to continue the council's long tradition of fiscal restraint in adopting a final budget. If you choose to restore funding in one place, I encourage you to identify commensurate programmatic reductions somewhere else. In light of the challenges we face, we must preserve the county's ability to provide emergency response, continue to perform mandated county functions, and maintain our AAA credit rating into 2010 and beyond.

A Budget of Transition and Challenge

This budget reflects a transition not only in executive leadership but also to an uncertain future. We face instability in our revenues due to the economy, the potential for reductions in state funding as the state legislature continues to respond to its own budget deficits, and the potential imposition of new revenue restrictions as voters decide this fall on yet another initiative that, if approved, would further limit revenue resources of governments throughout the state. We face uncertain events such as the pandemic outbreak of the H1N1 influenza virus and flooding in the Green River Valley as a result of damage to the abutment of the federally-owned Howard Hanson dam. This is a budget of transition. It preserves our emergency reserves and was prudently constructed to ensure the county is prepared in the face of these very real and challenging scenarios.

Heading into 2010, the county is forecasting a General Fund deficit of \$56.4 million on a budget of \$621 million. General Fund revenues are down by \$18.3 million from the 2009 Adopted Budget. For the second year in a row, total General Fund expenditures are less than the previous year. The 2009 Adopted Budget was \$14.1 million less than 2008. The 2010 Executive Proposed Budget is \$26.3 million less than 2009 – and \$40.4 million less than 2008.

The budget projections for 2011 and beyond are no more encouraging. A \$54.2 million deficit is anticipated for 2011, followed by another \$88.2 million deficit for 2012. Without new revenue tools, King County cannot close the coming budget gaps **without a radical dismantling of the criminal justice system, public health, and other basic county services**. We must prepare for these challenges now by showing maximum restraint in adopting this budget.

Balancing the 2010 Budget

When I was appointed by the council as the County Executive, I created a document I called “9 for 9 in 2009.” The purpose of this document was to identify for the region what I believed were my tasks to achieve during my short time in office. The first and most important of those nine said simply: “Transmit a balanced budget using state tools while preserving our AAA credit rating.” Despite the fact that we face a significant 2010 projected deficit, my proposed budget seeks to achieve these goals.

In preparing this balanced budget, I set clear priorities and aligned budget decisions with these priorities. The priorities include the preservation of funding for core mandatory services over discretionary services and preservation of direct services over administrative overhead costs. Rather than implementing “across the board” reductions, my budget eliminates funding for programs that do not align with the guidelines above.

Preserving Public Safety

Most importantly, this budget prioritizes public safety. Through the elimination of funding for discretionary functions and through the use of supplantation, my proposed budget spares the Prosecutor's Office, the Superior and District Courts, Public Defense, and the Sheriff from significant programmatic reductions. Some reductions are assumed in the Jail and Jail Health budgets, but only as a result of decreases in jail population and administrative and technology efficiencies. Collectively, Criminal Justice system budgets are reduced by less than 1% the 2009 Adopted Budget. Given the magnitude of the General Fund deficit, these are relatively minor reductions. However, as criminal justice functions require a greater portion of the overall General Fund and as the county continues to face deep budget deficits in the coming years, deep cuts to criminal justice next year and beyond are unavoidable without new county revenue sources.

Protecting the Health of Our Community

My proposed budget also maintains the critical programs and services that keep our citizens healthy. I shielded Public Health from reductions wherever possible. Faced with the prospect of closing clinics in 2010, Public Health has entered into a partnership with a community health provider, Health Point, whereby Health Point will lease Public Health's Northshore facility and move its operations, including the provision of primary care services, into the building. Public Health will rent back a portion of the space at a lower operating cost to continue delivery office-based Maternity Support Services and Women, Infant and Children services at the site.

Public Health is also consolidating services in order to create efficiencies and reduce costs. The Alder Square Clinic will close and some of the family planning services that had been provided at this site will move to the Birch Creek Clinic. Meanwhile, Public Health is looking to close the Kent Teen Clinic and is looking to a new site to consolidate services in the south end.

Preserving support for criminal justice and public health programs comes at a price. My budget enacts deep reductions to virtually all other General Fund-dependent functions. My proposed budget is balanced based on the following actions:

- reductions to administrative and overhead functions
- eliminating funding for discretionary services, such as parks, human services, and animal care and control
- utilizing revenues from the Mental Illness and Drug Dependency (MIDD) fund to restore some human services funding and to avoid reductions to criminal justice agencies
- capturing savings from the upcoming annexation of the southern portion of the North Highline annexation area into the City of Burien in order to reduce the persistent urban subsidy
- reducing the growth rate of health care costs by shifting more benefit costs to employees and their dependents while preserving our innovative health care reform programs, and
- identifying operational shutdown savings.

Administrative and Overhead Savings

My budget assumes \$11.4 million in expenditure reductions and revenue increases for administrative and overhead functions, including \$4.1 million in net reductions to the General Fund. These changes underscore my commitment to seeking administrative efficiencies prior to the elimination of discretionary services and in order to preserve funding for mandatory and direct services to the residents of King County.

My budget assumes deep reductions totaling \$1.9 million, or 13.6 percent from the status quo budget projections, to the General Fund supported county executive offices, including the County Executive; the Office of the Executive; the Office of Management and Budget; and the Office of Strategic Planning and Performance Management. The Office of Information Resource Management, which is an internal service fund, is reduced by 10 percent. These reductions will result in the elimination of 11 FTEs and 5 term-limited temporary positions. In addition, the Executive Fellow program will be eliminated.

My proposed budget is also balanced assuming 10 percent reductions to all legislative branch agencies that are roughly commensurate with the reductions taken in the executive offices. If the council concurs with this proposal, this will generate \$2.2 million in savings.

I must be clear. Cuts of this magnitude to the council and executive will have an impact. They will reduce our ability to oversee and hold accountable the vast and complex government that is King County. Nevertheless, I believe these cuts demonstrate leadership by example – we cannot ask direct service agencies to make reductions year after year if we are not willing to make similar sacrifices. Through creativity and collaboration I am confident these reductions can be managed.

Additionally, central service agencies that provide services to other county agencies under cost recovery models have identified efficiencies and reductions that will result in charges to General Fund agencies that are less than originally anticipated for 2010. For example, charges to law, safety and justice agencies are reduced by \$3.6 million. The reconfiguring of the employee training program currently provided by the Human Resources Division (HRD) is an example of a reduction in central service agencies that will result in lower charges for services to county agencies. Under this proposal, HRD will eliminate the Training and Organizational Development program and create a pared-down semi-annual supervisory education program in its place. This change lowers HRD's costs by \$690,442.

Eliminating Funding for Discretionary Services

As I mentioned previously, my proposed budget prioritizes mandated services above discretionary services. Faced with severely limited resources, I was left with few options but to eliminate General Fund support for discretionary services, including urban unincorporated parks, animal care and control, and human services. These are painful, but necessary steps in order to preserve funding for mandates services. Where possible, my budget seeks options for mitigating the impact of the lost General Fund support for these important discretionary programs.

Urban Unincorporated Parks: Mothballing 39 urban, unincorporated local parks (including two outdoor pools) allows me to capture 2 years worth of reserves and apply \$4.6 million in savings to the 2010 budget. I am making every effort to continue working with community partners to develop viable options for transferring these important assets. To demonstrate this commitment, my budget allocates \$500,000 in one-time money in a reserve to facilitate the transfer of these parks to external entities. In addition, I have directed the Parks and Recreation Division to keep open for two months the six park facilities that are located in the southern portion of the North Highline annexation area pending its formal annexation into the City of Burien in March 2010.

Animal Care and Control: My proposed budget only funds King County Animal Care and Control (KCACC) for six months in 2010 and also eliminates the \$1.5 million General Fund subsidy historically provided to offset the shortfall from animal licensing fees in unincorporated King County and its contracting cities. The combination of the financial challenges in the General Fund and the fact that Animal Care and Control is not self-sustaining means that King County is no longer able to continue providing animal care and control services as it has in the past. Animal Care and Control's operational challenges are also exacerbated by the potential flooding of the Green River Valley that may result from the issues related to the Howard Hanson Dam. The animal shelter is located in the flood plain and has been deemed a total loss in the event of a flood. To mitigate the budget shortfall and the risk posed by the Green River flood emergency, King County Animal Care and Control is partnering with its contract cities and community organizations to transition to an alternate, fiscally sustainable business model by June 2010. Reinforcing this commitment, my budget allocates \$3 million in one-time money in a reserve to facilitate the transition of these functions.

Human Services: My budget also eliminates the General Fund transfer to human services, resulting in \$11.4 million in savings. This leaves the Department of Community and Human Services (DCHS) with \$385.7 million (excluding the Office of the Public Defender) in non-General Funds to support human services in 2010.

The \$11.4 million in General Funds, which represents less than 3 percent of DCHS funding, was formerly allocated to support mental health and substance abuse programs, as well as a wide variety of programs in the Children and Family Services (CFS) fund. Demonstrating my commitment to these important human services programs, alternate funding sources have been identified to partially mitigate the loss of these General Fund dollars. Virtually all of the funding previously provided to mental health and substance abuse programs, totaling close to \$4.9 million, will receive supplanted funds from the Mental Illness and Drug Dependency fund. In addition, all remaining non-General Fund dollars in the CFS fund are being allocated to DCHS – previously some money was allocated to Public Health. The combination of MIDD dollars and the dedication of the non-General Fund portion of CFS funds to DCHS means that the net impact of the General Fund reductions to DCHS have been held to \$3.7 million.

As a result of these reallocations, DCHS will be able to continue providing critical mental health and chemical dependency services and sustain a number of important human services activities, including housing programs, community services contracts, and work training initiatives.

MIDD Supplantation

The Mental Illness and Drug Dependency (MIDD) sales tax is central to my strategy for balancing the 2010 General Fund budget and preserving critical human services and criminal justice programs. The original state legislation that enabled the county to collect a one-tenth of a cent sales tax for MIDD restricted these funds for *only* new or enhanced mental illness and drug dependency programs and services. However, in 2009, the State Legislature amended the legislation to allow counties to use up to 50 percent of MIDD revenues in 2010 to fund existing mental health and chemical dependency services and therapeutic courts. The 50 percent supplantation level will decline by 10 percent annually until it reaches zero in 2015. This is a short term solution to an ongoing problem and as the ability to supplant ramps down, the county will again have to make difficult decisions about what programs remain.

In order to maintain the integrity of the MIDD Plan, I am recommending that only 30 percent of MIDD funds be supplanted in 2010. Legislation also restricts supplanted sales tax revenue to support therapeutic court programs, mental health programs, or chemical dependency programs. The General Fund supported programs that qualify for MIDD funds total \$12.6 million, close to 30 percent supplantation. Because there are no additional programs in the General Fund that would qualify for MIDD funding under state law, supplanting up to 50 percent to relieve additional pressure on the General Fund in 2010 is virtually impossible. Finally, by supplanting only 30 percent of MIDD revenues in 2010- 2012, the 2010 Executive Proposed Budget establishes a three year strategy to sustain these core existing services and will ease the impact when MIDD supplantation ramps down over time.

The MIDD program for 2010 reflects base programmatic deferrals of \$8.6 million and requires the drawdown of \$21.2 million in fund balance over three years, \$9.7 million of which is used in 2010. Programmatic deferral decisions were designed, to the greatest extent possible, to sustain the intent of the adopted MIDD program plan. While reducing funding for MIDD strategies is difficult, this funding tool allows core substance abuse and chemical dependency treatment programs in King County to continue, despite the elimination of General Fund support. MIDD funds will be used to support \$4.9 million formerly General Fund supported human services programs and an additional \$7.7 million in criminal justice programs.

Annexations

King County is the local service provider for urban unincorporated areas of King County. The cost to the General Fund in 2010 of providing these local services exceeds revenues generated by these areas by \$15.8 million, thereby requiring the diversion of regional revenues to support these local services. As a mechanism for addressing the underlying structural nature of the

General Fund deficits, King County has placed a priority in seeking the annexation or incorporation of these areas.

My proposed budget reflects \$2.9 million in net savings to the General Fund as a result of the anticipated March 2, 2010 annexation of the southern portion of the North Highline annexation area into the City of Burien, in keeping with the outcome of the August 2009 primary election.

Savings in Labor Costs

2010 will be the first year of a new three-year benefits package for King County employees. Changes to the package contain cost growth by shifting a greater portion of cost to employees and their dependents. Specifically, the changes increase out-of-pocket expenses and encourage the use of cost-effective generic drugs. This agreement recognizes the financial difficulties facing the county by reducing projected cost growth by \$37 million over the next three years, while delivering a comprehensive benefit package that ranks among the very best in the nation for both affordability and effectiveness. The total costs shifted or avoided are equivalent to a \$70 per employee per month premium share, or 18 percent of healthcare costs.

The benefits package reflects a commitment by both labor and management that employees must share costs while still retaining King County's innovative health care reform elements. Health policy experts and researchers have established that simply shifting costs to employees in the form of a premium share does not solve the problem of escalating health care costs. This plan controls overall costs to the county by tying employee cost share to actual utilization (i.e. co-insurance), encouraging employees and their dependents to effectively manage their use of healthcare resources.

Short-Term Operational Shutdowns

In the face of the severe fiscal challenges across all county funds, my budget includes savings assumptions in an effort to preserve direct services. For 2009, savings were achieved through the implementation of a ten-day building and/or operational closure program, resulting in labor furloughs. The 2010 budget is balanced across all funds assuming that a similar level of savings will be achieved in each agency based on the furlough eligible employees as was adopted for 2009, including 2009 County Council amendments. The specific details of the 2010 plan are still under development, and discussions with labor unions and individual agencies are on-going. Specific plans describing how the 2010 savings will be achieved will be transmitted to the County Council in the coming weeks. To the extent that savings, from labor or other expenses, cannot be fully achieved through temporary and short term building and/or operational closures, the plan will describe additional programmatic reductions and the elimination of additional positions.

The operational closure program is assumed to generate \$6.5 million of savings in 2010 for the General Fund and \$13.7 million of savings for non-General Fund agencies. Details on the implementation of this effort will be developed in consultation with departments, labor representatives and elected leaders.

Non-General Fund Investments

King County government encompasses far more than just the services provided by the General Fund. Through our non-General Funds, we provide transportation services to our residents and protect our environment. My proposed budget demonstrates my commitment as the region's leader in maintaining and enhancing our quality of life.

My budget invests \$2 billion on operating costs for the Physical Environment divisions, which include Roads, Solid Waste, Wastewater Treatment and Parks to protect our air, water and land. My budget fully funds our commitment to the voters, spending \$11 million on open space acquisition and enhancing the parks and trail system they authorized at the polls in 2007. I am

especially proud that my budget stabilizes Metro Transit, closing a \$213 million revenue gap in a responsible way that ensures that preserves as much of the existing system as possible.

Our General Fund challenges have also not stopped us from investing in the long term future of the county and meeting our infrastructure needs. Though we are experiencing fiscal stress in several of our capital funds we continue to invest in our existing facilities and infrastructure as revenues allow. For example we are reinforcing our commitment to the routine maintenance necessary to maximize the value of our existing facilities and leveraging federal grants for our bridges and airport runways.

Because of revenue losses and the potential impact of the Green River flooding on both Public Health facilities and the Maleng Regional Justice Center, I have suspended or deferred several capital planning and facility expansion efforts in both the public health and criminal justice areas. However, my budget still calls for a 2010 Capital Improvement Program of \$800 million. This includes approximately \$500 million for the transportation projects for the biennium beginning with 2010:

- \$257 million to maintain our road and bridges in the unincorporated area, including \$100 million of budget for a pending federal stimulus grant application for funds to replace the deteriorating South Park Bridge and \$35 million for the next phase of work on the Novelty Hill Road project.
- \$124 million for Metro Transit system for new buses and to implement RapidRide, a key component of Transit Now; and
- A \$37 million investment in the King County International Airport including \$16 million for a runway resurfacing project.

The remaining \$300 million will help safeguard our water quality, process our solid waste, offer protection from floods, improve our recreational trails, maintain building systems, and make efficient use of technology.

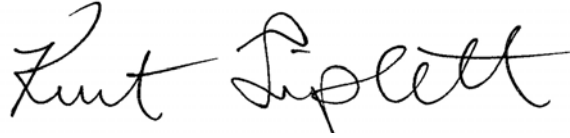
We Must Continue On A Path of Fiscal Restraint

Although my budget is balanced and prudently prepares us for our uncertain future, the steps I had to take to get us here were not easy. I am well aware of the impact many of these proposals have on our communities, citizens and employees and that these cuts are coming at a time when people need the services the most. Authorizing these reductions was one of the most difficult decisions I have had to make, not just in my time as Executive, but also in my seventeen year career with King County. However, I simply had no other options. We do not have the revenue to sustain our current programs. And until such time as the structural underpinnings of our deficits is addressed through new revenue tools, we will have no other choice in the future but to make additional painful reductions. The measures contained in my proposed 2010 budget begin to transform King County government in the face of this new reality. In addition, they reflect responsible decisions to help protect both the rainy day fund and the General Fund reserves necessary to sustain our AAA credit rating and provide a buffer in the case of catastrophic flood, pandemic flu or other emergency events.

As the Council considers this difficult budget, I encourage you not to simply rush to restore programs I have eliminated. I encourage you to continue our shared commitment to financial responsibility and emergency preparedness. Our citizens expect this level of analysis, reflection and fiscal prudence.

I look forward to working with you and your staff on a responsible and balanced final 2010 budget.

Sincerely,

A handwritten signature in black ink, reading "Kurt Triplett". The signature is fluid and cursive, with the first name "Kurt" and last name "Triplett" clearly distinguishable.

Kurt Triplett
King County Executive

Enclosures

cc: King County Councilmember

ATTN: Tom Bristow, Interim Chief of Staff

Saroja Reddy, Policy Staff Director

Anne Noris, Clerk of the Council

Frank Abe, Communications Director

Beth Goldberg, Deputy Director, Office of Management and Budget (OMB)

Budget Supervisors and Analysts, (OMB)

Elected Officials

Readers' Guide to the King County Budget Book

This document describes how King County's government plans to meet the communities' needs. King County's budget book is not only an assembly of information required for making policy and resource decisions; it is also a resource for citizens interested in learning more about the operation of their county government.

This readers' guide has been provided to inform the reader where particular information may be found. King County's budget book is divided into eleven sections: Introduction, Economic and Revenue Forecast, Unincorporated Area Transition, four Operating Area Budget Discussions (see below), the Capital Budget, Debt Service, and a brief appendix of summary tables. Each major section is outlined below.

Introduction

The introduction has a general description of King County government, presents an organizational chart of County government, provides a discussion of the strategic choices and decisions made in the development of the budget, describes the budget process and concludes with a glossary of words and terms used in this book.

Economic and Revenue Forecast

This section analyzes the impact of economic factors on the budget and the government's ability to deliver services. Projections for 2010 and outyears are based on historical trends, analysis and modeling by OMB economists, public sector economists, and by surveying national economic trends. This section includes the General Fund Forecast which provides a two-year history of revenues and expenditures. Also included are details that impact the proposed 2010 policy choices and projects the fiscal impact through 2012.

Operating Area Budget Discussions

This section displays the appropriation units grouped by functional area and county department. These functional areas are: General Government, Physical Environment, Health and Human Services, and Law, Safety, and Justice. These sections provide summaries of the 2010 proposed budget.

General Government

This section displays the appropriation units grouped by this functional area and includes financial details. Appropriation units in this section include Assessments, County Executive, Office of Information Resource Management, Department of Executive Services, Elections, Legislative Agencies and Other Agencies that comprise our internal support functions.

Physical Environment

This section presents the Physical Environment appropriations units and includes financial details. Appropriation units in this section include: Natural Resources and Parks, Development & Environmental Services, and Transportation.

Health and Human Services

This section provides the financial details of the county's Department of Community and Human Services and the Department of Public Health.

Law, Safety and Justice

This section presents the financial information for the Law, Safety and Justice Agencies. Included in this section are the Sheriff's Office, Prosecuting Attorney, Superior Court, District Court, Judicial Administration, and Adult and Juvenile Detention. Public Defense can be found in the Health and Human Services section and E-911 can be found in the General Government section.

Capital Projects

This section summarizes the capital projects budget proposals for King County. Additional information is available in a separate Capital Improvement Program (CIP) Budget Book.

Debt Service

This section provides a discussion and details of King County's bond indebtedness and the debt service required to repay King County's debt obligations.

Appendix

This section provides a two-page fact sheet about the county as well as various summary tables of expenditures, revenues, and employees.

Reader's Guide to Understanding The Biennial Budget for the Department of Transportation

Since 1985, cities in the State of Washington have had the legal ability to adopt biennial budgets and in 1997, the legislature gave counties the authority to adopt ordinances providing for biennial budgets with a mid-biennium review and modification for the second year of the biennium (RCW 36.40.250). At the November 2003 general election, the voters of King County approved Proposition 1, amending Article 4 of King County Charter, authorizing the Council to adopt an ordinance establishing biennial budgeting. Ordinance 15545 authorizes biennial budgeting and Motion 12465 identifies Transit as the agency selected for a pilot study for the 2008 / 2009 biennium. Motion 12941 extends the biennial process to all of the Department of Transportation (DOT) for the 2010 / 2011 biennium.

The biennial pilot study was intended to determine the advantages and disadvantages over traditional annual budgeting. Generally, analysis of biennial budgeting is thought to have several advantages over annual budgeting, including, but not limited to, decreased staff time to prepare the budget, an enhanced long-range planning effort during the second year, and the ability to improve program evaluation in the off year.

In preparing a biennial budget, local governments typically employ three variations. The first variation involves a jurisdiction adopting a budget for the first year of the biennium and endorsing it the second year, as happens in the city of Seattle. A second variation of the biennial budget is a two-year spending plan comprised of two one-year appropriations that are adjusted annually. In the third variation, jurisdictions adopt a full twenty-four month budget and provide for a mid-biennium review and modification for the second year of the budget. The biennial budget King County is implementing is the third variation.

Biennial budgets for the 2010 / 2011 are being implemented for the following DOT divisions:

- A. DOT Director's Office
- B. Transit Division
- C. Roads Services Division
- D. Marine Division
- E. Fleet Division
- F. Airport Division

Details about the process and assumptions used to build the biennial budgets are in the DOT section of the Physical Environment Program Summary.

Readers' Guide to the Detail Sheets

This section contains a glossary specific to the detail pages. The detail pages are interspersed with narrative about the agencies' budgets that show the previous budget and all of the changes to that budget to arrive at the proposed budget. Here you will find definitions by order of appearance for the types of items listed in the detailed appropriation unit pages.

Appropriation Unit: The name of each appropriation unit can be found at the top of each first page. It is the legal authorization to incur obligations and to make expenditures for specific purposes, i.e., Board of Appeals, Cable Communications, Public Health, and Roads are all appropriation units.

2009 Adopted: These are expenditures appropriated by the Council for the year beginning January 1, 2009 and ending December 31, 2009. It does not include encumbrances, supplemental appropriations or technical changes to the 2009 budget. These items are either in the *Status Quo* or under *Technical Adjustment*.

Status Quo (or Base Increment): This category contains revised 2009 adopted budget, initial status quo and proposed status quo changes. These are incremental changes from the 2009 Adopted.

- **Initial Status Quo (ISQ):** Initial Status Quo (ISQ) is the initial starting point for building the new year's budget. The ISQ level is the current year adopted level adjusted for budgeted changes for the first part of the year, across-the-board salary updates through the first part of the year, and the elimination of certain accounts not expected to be a part of the new year's budget. ISQ changes are generally done automatically based on gross across-the-board adjustments.
- **Proposed Status Quo:** Proposed Status Quo (PSQ) is the adjusted ISQ budgeted level and represents the base budget for the new year. A variety of special adjustments are made to the ISQ level, including known salary and benefit updates, adjustment of central rates, elimination of one-time programs, and the annualization of new programs in order to arrive at the "base" level of providing the same level of services in the current year at the inflated cost of the new year. PSQ changes are generally done only after significant analysis has been performed either by budget analysts or by agency personnel.

Status Quo Budget (or Adjusted Base): The starting point for departments when they began preparing their 2010 budget. It reflects the ISQ and PSQ changes made to the 2009 Adopted Budget.

Change Dynamic: All change items on the budget book pages are organized by change dynamic. The use of change dynamic provides a link of the proposed budget to the department business plan. The internal and external forces that must be responded to in the business plan are captured in the change dynamics that influence the business planning process. Each department within King County has developed its own unique change dynamics that reflect the dynamic forces that are impacting their organization.

Description of Change Detail: The reductions, additions and technical adjustments listed in the table between the Status Quo budget and the 2010 Proposed Budget. Change Items give the departments a means of changing their budgets from year to year, by listing out items that need to be either reduced or increased. Department requested change items are then sent to the Office of Management and Budget for review.

- **Administrative Service Reductions (AS):** Reductions to indirect overhead costs as opposed to direct services.

- **Annexation Savings (AX):** When unincorporated areas of King County are annexed by cities, the provision of local services to these areas is no longer the responsibility of the county. This provides budget savings in all county agencies that serve these areas.
- **Direct Service Reduction (DS):** Reductions to direct services costs as opposed to overhead costs.
- **MIDD Supplantation (MI):** Mental Illness and Drug Dependency Fund Supplantation. This resulted from revenue supplantation relief in Substitute Senate Bill (SSB) 5433 for local option sales tax funding to areas of higher priority. These changes reflect shifting of MIDD sales tax revenue to fund existing programs that address mental illness and drug dependency. The MIDD sales tax was previously restricted to funding program expansion.
- **Program Change (PC):** Neutral changes in the overall budget balance to shift budget amounts to areas of higher priority. These changes typically zero balance but sometimes they include the addition of higher expenditure levels. These are increases to the base budget that are mandated by new legislation, existing legal requirements, or County policy.
- **Revenue Backed Add (RB):** Revenue Backed Adds are supported either in whole or in part by new revenue.
- **Technical Adjustment (TA):** These are budget adjustments covering a variety of miscellaneous actions, including the correction of errors in the base budget, the transfer of programs between organizational units, and budgeting corrections related to employee benefits and central rates.
- **Cost Savings (CS) -):** These are operating budget savings from benefit realization resulting from information technology efficiency projects. These project are initially budgeted as capital projects during development and the resulting process efficiencies are captured as cost savings in operating budgets
- **Central Rate Adjustments:** These are budget adjustments to central rates. Central rates are, for example: flex benefits, data processing infrastructure, Prosecuting Attorney charges, motor pool and insurance rate adjustments.
- **Council Changes:** These are the budget adjustments that the King County Metropolitan Council made to the Executive Proposed Budget.

2010 Proposed Budget: This is the proposed budget for this appropriation unit.

2010 Proposed Budget for Sample Appropriation 1234/1234

Code	Item	Description	Expenditures	FTEs *	TLTs
Program Area					
	GG				
		2009 Adopted	3,129,090	2.00	(0.25)
		Status Quo**	371,897	(1.00)	0.25
		Status Quo Budget	3,500,987	1.00	0.00
		Contra Add	0		
Change in County Policy					
PC15		LSJ-I Program Balance	489	0.00	0.00
			489	0.00	0.00
Expanded Service Delivery					
AS99A		Reduce Operatoin of HVAC and Lighting to 10 hours a day	99,950	0.00	0.00
			99,950	0.00	0.00
MIDD Supplantation					
PC13		Outyear Deficit Reserve	999	0.00	0.00
			999	0.00	0.00
Technical Adjustment					
CR01		Flexible Benefits	235	0.00	0.00
CR05		GF Overhead Adjustmernt	250	0.00	0.00
			485	0.00	0.00
Accountability/Transparency					
CR01		Flexible Benefits	9,989	2.00	0.50
			9,989	2.00	0.50
Total Change Items in 2010			111,912	2.00	0.50
2010 Propsed Budget			3,612,899	3.00	0.50

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

NOTE: Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Sample Appropriation

King County Government

And Background

The county consists of 2,131 square miles, ranking 11th in geographical size among Washington State's 39 counties. The county ranks number one in population in the State of Washington and is the financial, economic and industrial center of the Pacific Northwest region. Currently, there are 39 incorporated cities within King County.

King County operates under a Home Rule Charter adopted by a vote of the citizens of King County in 1968 and is organized under the Council-Executive form of county government. The Metropolitan King County Council is the policy-making legislative body of the county. The council's nine members are elected by district to four-year staggered terms and serve on a full-time basis. The County Council sets tax levies, makes appropriations, and adopts and approves the annual operating and capital budgets for the county. Other elected county officials include the County Executive, Prosecuting Attorney, Sheriff, Assessor, Director of Elections, and Superior and District Court Judges. The Prosecuting Attorney is a partisan position. All other elected county officials are non-partisan and are elected at large to four-year terms.

The County Executive serves as the chief executive officer for the county. The County Executive presents to the council annual statements of the county's financial and governmental affairs, the proposed budget and capital improvement plans. The County Executive signs, or causes to be signed on behalf of the county, all deeds, contracts, and other instruments, and appoints the director of each executive department.

King County provides some services on a countywide regional basis and some local services only to unincorporated areas. Within appropriate jurisdictions, the county provides public transportation, road construction and maintenance, wastewater treatment, flood control, agricultural services, parks and recreation facilities, law enforcement, criminal detention, rehabilitative services, court services, tax assessments and collections, land use planning and permitting, zoning, public healthcare, emergency medical services, election services, animal control, and the disposal of solid waste. In addition, the county has contracts with some cities to provide local services to incorporated areas of the county.

In 2008 the reporting entity "King County" consists of six component units: 1) Harborview Medical Center (HMC), 2) the Washington State Major League Baseball Stadium Public Facilities District (PFD), 3) the Cultural Development Authority of King County (CDA), 4) the Flood Control Zone Districts, 5) the King County Ferry District, and 6) the Building Development and Management Corporations. Most funds in this report pertain to the entity King County Government. Certain Agency Funds pertain to the county's custodianship of assets belonging to independent governments and special districts. (These funds are not shown in the budget books.) Under the County's Home Rule Charter, the King County Executive is the *ex officio* treasurer of all special districts of King County, other than cities and towns. Pursuant to County ordinance, the Director of the Finance and Business Operations Division (FBOD) is responsible for the duties of the comptroller and treasurer. Money received from or for the special districts is deposited in a central bank account. The Director of FBOD invests or disburses money pursuant to the instructions of the respective special districts.

Organizational Chart

An appropriation unit is a legal entity authorized by the County Council to make expenditures and to incur obligations for specific purposes. Examples of appropriations units are Boundary Review Board, Office of the Prosecuting Attorney, Public Health, and Solid Waste. At King County, appropriation units are budgeted on a calendar year basis.

Similar appropriation units are combined together to make up a department. For example, the Department of Transportation is made up of the following similar appropriation units: Transit, Road Services, Fleet Administration, and DOT Director's Office. The departments are headed by a director, who reports directly to the Assistant County Executive. Each director is a member of the Executive's Cabinet.

A program area is a grouping of county appropriation units (agencies) or departments with related countywide goals. Under each program area, individual agencies or departments participate in activities to support the program area goals. The budget process distinguishes between six program areas: Physical Environment, General Government, Health and Human Services, Law, Safety and Justice, Debt Service and Capital Projects. Debt Service and Capital Improvement are not shown on the county organizational chart.

**ELECTED OFFICIALS OF
KING COUNTY**

KING COUNTY EXECUTIVE

Kurt Triplett

METROPOLITAN KING COUNTY COUNCIL

Bob Ferguson, First District
Larry Gossett, Second District
Kathy Lambert, Third District
Larry Phillips, Fourth District
Julia Patterson, Fifth District
Jane Hague, Sixth District
Pete von Reichbauer, Seventh District
Dow Constantine, Eighth District
Reagan Dunn, Ninth District

PROSECUTING ATTORNEY

Daniel T. Satterberg

ASSESSOR

Lynn Gering

ELECTIONS

Sherril Huff, Director

SUPERIOR COURT

Bruce Hilyer, Presiding Judge

DISTRICT COURT

Barbara Linde, Presiding Judge

SHERIFF

Sue Rahr

King County Boards and Commissions

Boards and commissions are designed to give citizens a voice in their government and provide a means of influencing decisions that shape the quality of life we in the northwest enjoy. Whether your interests revolve around animal issues, recycling, transportation, or water quality, with 58 groups to choose from, King County has something for everyone.

Each board/commission has a staff member who acts as a liaison between the board/commission and the King County Executive's Office. The staff liaison is responsible for coordinating the group's recruitment and forwarding names to the King County Executive, who makes the final selection. The King County Council confirms the Executive's appointments. Following is a list of Boards & Commissions for King County.

Appeal Groups

Appeals & Equalization, Board of
Building Code Advisory and Appeals Board
Fire Code Advisory and Appeals Board
Personnel Board
Plumbing Board of Appeals
Water System Review, King County Board of

Management Groups

Alcoholism & Substance Abuse Administrative Board, King County
Boundary Review Board
Civic Television Citizens Advisory Committee
Conservation Futures Citizen Oversight Committee
Cultural Development Authority (4Culture)
Deferred Compensation Board
Employee Charitable Campaign Committee
Harborview Medical Center Board of Trustees
Health, Seattle-King County Board of
HIV/AIDS Planning Council
Housing Authority Board of Commissioners, King County
Landmarks Commission, King County
Library System Board of Trustees, King County
Museum of Flight Authority Board of Directors, King County
Noxious Weed Control Board
Rural Forest Commission
Washington State Major League Baseball Stadium Public Facilities District

Advisory Groups

Accessible Services Advisory Committee
Aging and Disability Services, Seattle-King County Advisory Council on
Agriculture Commission, King County
Animal Control Citizens Advisory Committee
Children & Family Commission, King County
Citizen's Elections Oversight Committee
Civil Rights Commission
Commission on Governance
Developmental Disabilities, Board for
EEO/AA Advisory Committee
Emergency Management Advisory Committee
Emergency Medical Services Advisory Committee
Ethics, Board of
Ferry Advisory Committees – Seattle & Fauntleroy
Flood Control Zone District Advisory Board, Patterson Creek
Historic Preservation and Historical Program Advisory Task Force
International Airport Roundtable
Investment Pool Advisory Committee
Mental Health Advisory Board
Mental Illness and Drug Dependency Oversight Committee
Parks Levy Oversight Board
Permit Technical Advisory Committee
Regional Communications Board
Regional Human Services Levy Oversight
Section 504/American with Disabilities Act Advisory Committee, King County
Solid Waste Advisory Committee, King County
Snoqualmie Watershed Forum
Transit Advisory Committee
Transportation Concurrency Expert Review Panel
Vashon-Maury Island Groundwater Protection Committee
Veterans' Advisory Board
Veterans' Citizen Levy Oversight Board
Wheelchair Accessible Taxi Advisory Committee
Women's Advisory Board, King County
2010 Census Complete Count Government Advisory Committee

The Electorate of King County

